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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 001818

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TAGS: [MASS](#) [MARR](#) [PREL](#) [PGOV](#) [ID](#)
SUBJECT: INDONESIA: A/S HILLEN'S MEETING WITH DEFENSE
MINISTER JUWONO

REF: JAKARTA 0858

Classified By: POLITICAL OFFICER RAYMOND RICHART. REASONS 1.4 (B) AND
(D).

11. (C) Summary: Assistant Secretary John Hillen February 1 described to Indonesian Defense Minister the "great anticipation" in the U.S. regarding Indonesia and the U.S. desired a robust relationship with Indonesia. Juwono told A/S Hillen he would do whatever necessary to strengthen this relationship, which had become very important economically and politically for Indonesia. A/S Hillen praised Juwono for the reforms the GOI had made in the Indonesian Armed Forces (TNI), and explained that the U.S. had a number of ways it could assist Indonesia improve TNI's capabilities. Juwono assured A/S Hillen that support from the United States safeguarded the foundations of democracy and permitted their development into greater substance as a working democracy. Juwono described the important role TNI continued to fulfill in safeguarding Indonesian territory and noted GOI investigation into the killing of a Papuan youth by TNI. End Summary.

Robust U.S. Relationship with Indonesia

12. (C) A/S Hillen praised Juwono for the reforms Indonesia had made in the Indonesian Armed Forces (TNI). Juwono replied that the credit for the transformation of TNI belonged to President Yudhoyono and Coordinating Minister Widodo, both of whom had already begun their efforts years earlier and continued them today. Hillen described "great anticipation" in the U.S. regarding Indonesia and described new geo-strategic thinking in the U.S. He said Secretary Rice wanted a robust relationship with Indonesia, that she was determined, and that she had the President's ear. The Secretary considers Indonesia as a pivotal state for

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geographic, religious, Asian and strategic reasons, and would continue to do whatever necessary to make the bilateral relationship with the U.S. important to Indonesia.

13. (C) Juwono replied he would also do whatever necessary to strengthen this relationship, which had become very important economically and politically for Indonesia. He observed that Indonesia had still far to go economically and that Indonesia's transition depended on how the "situation played out economically." Otherwise, the country would just "muddle through." Support from the United States safeguarded the foundations of democracy and permitted their development into greater substance as a working democracy. Juwono explained

that Indonesia's middle class amounted to less than 15% of the population and that the country's GDP of USD 1300 per year was about that of China; Indonesia must quadruple that number, he said.

TNI Role in Safeguarding Indonesian Territory

14. (C) Juwono said that much of Indonesia's future depended on how the GOI managed its transition from an authoritarian regime to a full democracy and safeguarding Indonesian territory remained an important aspect of such management. A/S Hillen noted that the agreement that the GOI signed August 15 with the separatist Free Aceh Movement, which ended almost thirty years of fighting there, would help put an end to such territorial concerns. Juwono explained that on both extremes of the country -- in Aceh in the west and Papua in the east -- Indonesia must do more. Those areas "need to feel a part of the Indonesian mainstream on more equitable terms," but Papua remained a "triple minority" with different religion, ethnicity and culture.

15. (C) The Ambassador noted that Papuan leaders complained that the TNI presence had become too large, and that reports indicated TNI planned further troop buildups there. Juwono responded that he did not believe this true and that NGO's had exaggerated increases. TNI had relocated non-locally-based troops had rotated others out of Papua; better airlift capabilities could allow TNI to have fewer troops there also. Juwono added he believed it normal for Indonesia to emphasize security in the province. During the conflict in East Timor, TNI was concerned that Papua might attempt to break away as well.

16. (C) Juwono said that the GOI had discussed troop levels

JAKARTA 00001818 002 OF 003

in Papua and believed that a combined TNI and Indonesian National Police (POLRI) presence of 15,000 was appropriate, but the GOI could decide to change this. He acknowledged this remained probably "5,000 too many for Papuans." He added that the Ministry of Home Affairs currently was discussing the issue. The Ambassador noted that Papuans appeared more receptive to a POLRI presence. He added that he was encouraged to learn of the internal GOI discussion of the issue, since the U.S. had heard TNI had increased its presence there.

17. (C) Juwono recounted that he had received a delegation of 20 Papuan leaders to discuss the death of a Papuan boy January 20 when TNI soldiers opened fire on a crowd in the remote town of Waghete (reftel). Juwono agreed that the GOI should investigate the matter, and the GOI was looking at police reports, which claimed the group in which the boy had demonstrated had resorted to violence. Juwono added that the GOI was "looking at the issue from both sides."

Uses For U.S. Military Assistance

18. (C) A/S Hillen asked whether bilateral military cooperation could assist in stitching such disparate areas of Indonesia together by giving TNI greater humanitarian assistance capacity. He added that the U.S. wanted to strengthen regional stability, which could also bolster domestic security. Juwono agreed that sea lines of communication remained important, noting that 46 percent of gas and oil from the Middle East passed through the straits of Malacca or Lombok. Safe passage remained critical for the stability of China and Japan, and important for the U.S. as well.

19. (C) Juwono said that Indonesia's defense budget amounted to only USD 2.8 billion -- one half that of Singapore. Indonesia "piggybacked" on Singapore and Malaysia for the maritime security of the Strait of Malacca. A/S Hillen said

he thought this wise, adding that the U.S. now did everything in coalition with others. He added he found great opportunities for Indonesia in such cooperation in terms of jointness and interoperability. Juwono explained that Indonesia would focus primarily on improving TNI's capabilities in transportation and lift, and that it "did not aim for high-profile strike capability." TNI's C-130 fleet was very useful for transporting troops to trouble spots as well as providing humanitarian relief. Juwono expressed appreciation for PACOM's recent provision of a fleet hospital to TNI.

¶10. (C) A/S Hillen explained that the U.S. had a number of ways it could assist Indonesia to improve TNI's capabilities. In addition to FMF, direct commercial sales had become possible, as well as the provision of excess defense articles -- which, however, required conclusion of a bilateral agreement. PACOM Commander Admiral Fallon, the Department of State, and other U.S. agencies continued to explore many avenues for U.S. assistance. A/S Hillen stressed the importance of describing to Congress bilateral activities and accomplishments. Conclusion of an Article 98 Agreement and Indonesian support for the Proliferation Security Initiative's (PSI) Statement of Principles would signal progress in the relationship. The U.S. and Indonesia could work together on programmatic aspects of the normalizing mil-mil relationship.

Selling the Relationship in Washington

¶11. A/S Hillen noted that a shift in emphasis toward Asia had occurred in the State Department, and that, as a consequence, it was "a good time to discuss how we can lean forward in Indonesian-U.S. relations and how to package that relationship in Washington so we can sell it." The Ambassador noted to Juwono that the investiture of the new TNI Chief of Staff would provide an excellent opportunity for the GOI to make clear statements regarding the direction of reform in TNI. Juwono agreed, noted that General Sutarto, when he became Chief of Staff three and a half years earlier, had expressed sensitivity to civilian control and changes in TNI. Now, TNI is waiting for the civilian government to "take up the reins of power and act responsibly."

¶12. (C) Juwono said that the "biggest issue in Indonesia"

JAKARTA 00001818 003 OF 003

was governance by civilian groups; donors had assisted at the local level with some success. The Ambassador said the U.S. wanted to know how it could help bolster civilian control of TNI, adding that assistance to strengthen civilian procurement system could help. The visit of A/S Hillen and BG Remington constituted part of an early effort to determine how the U.S. could best become part of the reform process. He added that Lt Gen (ret) Edwin Smith, President of PACOM's Asia-Pacific Center for Strategic Studies (APCSS), would visit soon to explore ways the Center could assist in improving general education within TNI and with the establishment of an NSC-type body in Indonesia. A/S Hillen added that DOD programs could assist in evaluating TNI progress and needs. Juwono replied that Indonesia was "one of the most under-managed countries in the world" and well behind Thailand and the Philippines.

A Universe of Possibilities Exits

¶13. (C) A/S Hillen said "everything is on the table" and that although detractors would exist, a "universe of possibilities" now existed. He added that Ambassador Pascoe was pressing for an ambitious program and that the U.S. welcomed the broad recognition of Indonesia as a pivotal state. Juwono emphasized that the U.S. should "not give Indonesia too much money" because of its limited absorptive capacity and that the "right amount has to be calculated."

He recalled that during his tenure as Minister of Education, the World Bank had provided more assistance to education than the country could absorb, with consequent waste and distortions. A/S Hillen assured Juwono that the U.S. wanted a program that increased and built capabilities. Juwono said he hoped the U.S. could send more mid-grade officers to the U.S. for training; A/S Hillen replied that the U.S. hoped to increase funding levels for IMET programs.

¶14. (C) BG Remington said that the current window of opportunity for U.S. assistance to TNI was very large and that the U.S. could now undertake a number of rather important initiatives. The U.S. needed to show progress and build a strong, active program with Indonesia by the end of the current U.S. administration. He agreed that the U.S. did not, however, want to "overwhelm" Indonesia.

¶15. (C) The Ambassador noted that he was struck that Indonesia shared greater similarities in its democratic transition with countries in Eastern Europe than with other Asian countries. The U.S. brings to the table fifteen years of experience in Eastern Europe, in which it developed a variety of approaches, not a "one-size-fits-all" program. Countries elsewhere had experienced many of Indonesia's needs; the U.S. had successes in its programs with them and could discuss with Indonesia bureaucratic transitions. U.S. experience in training Georgia's Coast Guard, when it could not train the Navy, was such an example.

¶16. (C) A/S Hillen repeated that bilateral cooperation must outlast the current administrations of either country. He said that when he looked out ten years he could see Indonesia comfortable in military coalitions. The Ambassador added that the U.S. would be pleased to assist Indonesia to cooperate with Malaysia and the Philippines. In its combined activities in the Sulawesi Sea, for example, the U.S. could assist in planning and provide other support.

¶17. (U) A/S Hillen cleared this cable.
PASCOE